

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

March 2, 2001

IN RE:)	
)	
ALL TELEPHONE COMPANIES TARIFF)	DOCKET NO.
FILINGS REGARDING RECLASSIFICATION)	97-00409
OF PAY TELEPHONE SERVICE AS REQUIRED)	
BY FEDERAL COMMUNICATIONS COMMISSION)	
(FCC) DOCKET 96-128)	

SECOND INTERIM ORDER

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference held on February 21, 2001 for consideration of the responses of Citizens Telecommunications Company of Tennessee L.L.C. ("CTT") and Citizens Telecommunications Company of the Volunteer State L.L.C. ("CTV") (collectively "Citizens") to the Authority's directive of December 19, 2000.

I. Factual and Procedural History

At a regularly scheduled Authority Conference on December 19, 2000, the Authority addressed, in part, the merits of Docket No. 97-00409, "the Payphone Docket." The Authority set the non-traffic sensitive rates for Citizens, but did not set the traffic sensitive rates because the cost data provided by Citizens was insufficient.¹ Instead, the Authority directed Citizens to file the necessary usage data no later than December 29, 2000.

¹ The Authority ordered a non-traffic sensitive rate of \$13.22 for CTT and \$17.78 for CTV. *See Interim Order*, p. 22 & Exhibits 4 & 6 (Feb. 1, 2001).

On December 29, 2000, Citizens responded to the Authority's directive by filing usage data for CTT only. On January 8, 2001, Citizens filed additional usage data for CTV and a letter explaining that CTV does not have measured service available in its territory.

II. Findings and Conclusions

Based on Citizens' cost study, responses to the December 19th directive, and the record as a whole, the Authority makes the following findings and conclusions:

1) The Authority will use the same new services test methodology used to calculate BellSouth's per minute, payphone usage rate in the *Interim Order*, filed on February 1, 2001, to calculate CTT's per minute, payphone usage rate.

2) Application of the new services test methodology to the data provided by CTT results in a per minute, payphone usage rate of \$0.00175 for CTT. See Exhibit 1 attached hereto.

3) CTV does not have the technical capability to provide business measured service; therefore, the Authority can not set a per minute, payphone usage rate. The Authority must establish a single, monthly flat rate that recovers CTV's costs of the non-traffic sensitive portion of the payphone access line as well as associated usage. This monthly flat rate shall replace the monthly, non-traffic sensitive rate adopted in the *Interim Order* filed on February 1, 2001.

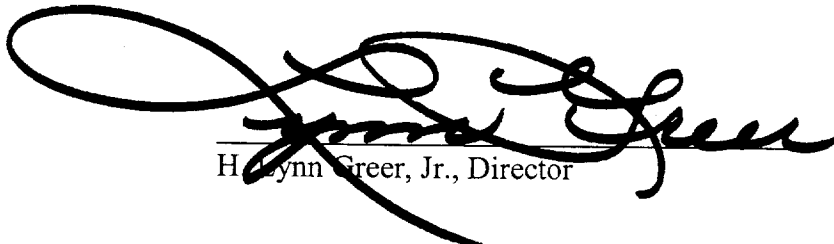
4) Application of the new services test methodology to the cost study and monthly, traffic sensitive costs per payphone access line data of CTV results in a monthly flat rate of \$20.54 for CTV. See Exhibit 2 attached hereto.

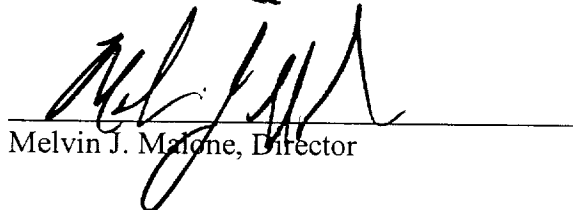
For the foregoing reasons, the Directors voted unanimously to adopt a per minute, payphone usage rate of \$0.00175 for CTT and a monthly flat rate of \$20.54 for CTV.

IT IS THEREFORE ORDERED THAT:

- 1) Citizens Telecommunications Company of Tennessee L.L.C. may charge a maximum per minute, payphone usage rate of \$0.00175.
- 2) Citizens Telecommunications Company of the Volunteer State L.L.C. may charge a maximum monthly flat rate of \$20.54 exclusive of the Subscriber Line Charge, End User Common Line Charge, and Primary Interexchange Carrier Charge.
- 3) The calculation of rates described in Exhibits 1 and 2 are adopted and incorporated in this Order by this reference.
- 4) Citizens Telecommunications Company of Tennessee L.L.C. and Citizens Telecommunications Company of the Volunteer State L.L.C. shall file compliant tariffs no later than **Monday, March 5, 2001** to become effective upon notification by the Authority.


Sara Kyle, Chairman


Hollynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary

EXHIBIT 1

**CITIZENS OF TENNESSEE
CALCULATION OF RATES
PAYPHONE LINE TRAFFIC SENSITIVE RATE**

<u>Line</u>	<u>Description</u>	<u>Amount</u>	
1	Monthly Traffic Sensitive Direct Cost per Payphone	\$ 1.09	1/
2	Allocated Overhead Cost	<u>.78</u>	2/
3	Monthly Traffic Sensitive Total Cost	\$ 1.87	3/
4	Average Monthly Minutes of Use Per Payphone	<u>\$ 1,071.62</u>	4/
5	Per Minute Traffic Sensitive Cost Including Overhead	<u>\$ 0.00175</u>	5/

1/ Exhibit to Scott Kitchen Direct Testimony filed on September 15, 2000.

2/ L3-L1.

3/ Exhibit to Scott Kitchen Direct Testimony filed on September 15, 2000.

4/ Citizens' December 29, 2000, Response to Authority's December 19, 2000, Directive to Submit Payphone Usage Data.

5/ L3/L4.

EXHIBIT 2

**CITIZENS OF VOLUNTEER STATE
CALCULATION OF RATES
PAYPHONE SERVICE LINE RATE INCLUDING USAGE**

<u>Line</u>	<u>Description</u>	<u>Amount</u>	
1	Monthly Usage Direct Cost	\$ 1.66	1/
2	Allocated Overhead Cost	\$ <u>1.10</u>	2/
3	Total Usage Cost Per Payphone	2.76	3/
4	Payphone Service Line Rate Excluding Usage	\$ <u>17.78</u>	4/
5	Payphone Service Line Rate Including Usage	<u>\$ 20.54</u>	5/

1/ Exhibit to Scott Kitchen Direct Testimony filed on September 15, 2000.

2/ L3-L1

3/ Exhibit to Scott Kitchen Direct Testimony filed on September 15, 2000.

4/ Authority ordered non-traffic sensitive payphone line rate.

5/ L3 + L4.